

LNF & IHCIF Calculations Illustration

- ZUNI-RAMAH in Albuquerque area -

Given Data

- 11,096 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 16% = % Expenditures on purchased services, 84% = % expenditures in-house
- 92.1% = Cost index for purchasing health care in this geographic area
- 101.2% = Size cost index for in-house costs due to small or large size
- 97.9% = Albuquerque area cost index for health status above or below average

Cost Adjustment Calculations

- \$447 per person for purchased services = $16\% * 92.1\% * \$2,980$
- \$2,524 per person for in-house services = $84\% * 101.2\% * \$2,980$
- \$2,971 per person total = \$447 (purchase) + \$2,524 (in-house)
- **\$2,910 per person total** adjusted for health status = $\$2,971 * 97.9\%$
- **\$2,165 per person net cost** = $\$2,910 - \745 Other resources (M&M&PI)

Existing Expenditures (for 11,096 users excluding wrap-around and collections)

- \$1,163 per person = local IHS allowance (excludes \$ for wrap-around)
- \$162 per person = expenditures elsewhere in Albuquerque area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,379 per person for OU users** = $\$1,163 + \$162 + \$54$

LNF Calculation

- **47.4% Gross LNF** = $\$1,379$ (expenditures) / $\$2,910$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **63.7% Net LNF** = $\$1,379 / \$2,165$ net cost ($\$2,910 - \745 other)

IHCIF Allocation

- \$0 = \$ to raise LNF% from 63.7% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$0 Allocation** = \$0 needed for 60% * 3.488% IHCIF fraction

ZUNI-RAMAH Unmet Needs

- **\$24,017,758 Net Total Need** = 11,096 users * \$2,165 net cost
- **\$8,715,963 Net Unmet Need** = $(100\% - 63.7\% \text{ LNF}) * 11,096 \text{ users} * \$2,165 \text{ net cost}$